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JJGJr.: 09-05

Paper No. 15



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OFFICE OF PETITIONS

In re Patent No. 5,850,522 :
Issued: 15 December, 1998 :
Application No. 08/633,839 : DECISION ON PETITION
Filed: 10 April, 1996 :
Attorney Docket No.: 29815.0800 :

This is a decision on the petition filed on 12 July, 2005, under 37 C.F.R. §1.378(b) to accept as unavoidably delayed the maintenance fee for Patent No. 5,850,522 (the '522 patent).

NOTE: There is no indication of record that Petitioner herein ever was empowered in the instant matter. If Petitioner desires to receive future correspondence regarding this matter, the appropriate power of attorney documentation must be submitted. A courtesy copy of this decision will be mailed to Petitioner. However, all future correspondence will be directed to the address of record until such time as appropriate instructions are received to the contrary.

Petitioner must submit a fully executed certificate under 37 C.F.R. 3.73(b) (copy enclosed) evidencing Petitioner's rights to/in the instant matter.

The petition is **DISMISSED**.

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NOTES:

- (1) If reconsideration of this decision is desired, a petition for reconsideration under 37 C.F.R. §1.378(e) must be filed within TWO (2) MONTHS from the mail date of this decision. No extension of this 2-month time limit can be granted under 37 C.F.R. §1.136(a) or (b).

Any such petition for reconsideration must be accompanied by the petition fee as set forth in 37 C.F.R. §1.17(h).

The petition for reconsideration should include an exhaustive attempt to provide the items noted below as lacking.

Thereafter, there will be no further reconsideration or review of the matter undertaken by the Commissioner.

I. BACKGROUND

This patent, which was filed originally on 10 April, 1996, as Application No. 08/633,839, issued on 15 December, 1998, as Patent No. 5,850,522 (the '522 patent). Payment of the first maintenance fee was not timely made. And the twenty-four month period following expiration has elapsed. Therefore, Petitioner's only remedy is a petition under 37 C.F.R. §1.378(b).

Payment Windows

As to the first maintenance fee:

- the first window—for payment of the maintenance fee alone—opened on 15 December, 2001, and closed after midnight Monday, 15 June, 2002;
- the second window—for payment of the maintenance fee and small surcharge—opened on Tuesday, 16 June, 2002, and closed after midnight Monday, 16 December, 2002;
- the third window—for payment of the maintenance fee and the surcharge in connection with an allegation of unintentional delay—opened on Tuesday, 17 December, 2002, and closed after midnight 15 December, 2004;
- the fourth window—for payment of the maintenance fee and the surcharge in connection with an allegation of unavoidable delay—also opened on 17 December, 2002.

Summary of Argument

NOTE: Petitioner requests: "PLEASE KEEP THIS STATEMENT PRIVATE."

However, as Petitioner is well aware, upon issue patent application files are public record, and are therefore open to the public and may be available via the Internet.

Reference is made to the illness of Petitioner and to a bankruptcy event. However, while the medical details are not necessarily pertinent, the exact time periods are required, as are details that indicate how these events involving Petitioner, who was not the inventor and does not appear to have been an assignee, nonetheless triggered the non-payment of the maintenance fee herein

In this regard, Petitioner is reminded again that patent application files, should they proceed to issue, become public record, and Petitioner may wish to redact private health information, financial accounts information and the like before submission and may wish to substitute such redacted materials with the evidentiary focus as the dates of event for documents submitted and otherwise seek expungement of such private data from Petitioner's application(s).

The sum and substance of the argument presented is that financial collapse of the businesses and Petitioner's subsequent diagnosis with and chemotherapy treatment for cancer prevented the maintenance fee from being paid when due.

Petitioner needs to present a calendar of events commencing on the date when the window opened for payment (December 2001) and through the filing of the instant petition detailing events (with documentation supporting the allegations and calendar) which so resulted in the non-payment of the maintenance fee when due.

Thus, the record is silent and needs to be completed with regard to narrative of events including but not limited to:

- the calendar of events;
- evidence that payment of the maintenance fee was properly calendared;

- identification of statements from the parties responsible for calendaring and paying the maintenance fees; and
- documents evidencing the adverse financial and health conditions Petitioner alleges resulted in the non-payment of the maintenance fees.

II. STATUES, REGULATIONS, ANALYSIS

Congress has provided in statute as follows:

35 U.S.C. 41 Patent fees; patent and trademark search systems.

(a) GENERAL FEES. — The Director shall charge the following fees:

* * *

(b) MAINTENANCE FEES. — The Director shall charge the following fees for maintaining in force all patents based on applications filed on or after December 12, 1980:

- (1) 3 years and 6 months after grant, \$***.
- (2) 7 years and 6 months after grant, \$*,***.
- (3) 11 years and 6 months after grant, \$*,***.

Unless payment of the applicable maintenance fee is received in the United States Patent and Trademark Office on or before the date the fee is due or within a grace period of 6 months thereafter, the patent will expire as of the end of such grace period. The Director may require the payment of a surcharge as a condition of accepting within such 6-month grace period the payment of an applicable maintenance fee.

* * *

The regulations at 37 C.F.R. §1.362 provide in pertinent part:

§ 1.362 Time for payment of maintenance fees.

(a) Maintenance fees as set forth in §§ 1.20(e) through (g) are required to be paid in all patents based on applications filed on or after December 12, 1980, except as noted in paragraph (b) of this section, to maintain a patent in force beyond 4, 8 and 12 years after the date of grant.

* * *

(d) Maintenance fees may be paid in patents without surcharge during the periods extending respectively from:

- (1) 3 years through 3 years and 6 months after grant for the first maintenance fee,

(2) 7 years through 7 years and 6 months after grant for the second maintenance fee, and

(3) 11 years through 11 years and 6 months after grant for the third maintenance fee.

(e) Maintenance fees may be paid with the surcharge set forth in § 1.20(h) during the respective grace periods after:

(1) 3 years and 6 months and through the day of the 4th anniversary of the grant for the first maintenance fee.

(2) 7 years and 6 months and through the day of the 8th anniversary of the grant for the second maintenance fee, and

(3) 11 years and 6 months and through the day of the 12th anniversary of the grant for the third maintenance fee.

(f) If the last day for paying a maintenance fee without surcharge set forth in paragraph (d) of this section, or the last day for paying a maintenance fee with surcharge set forth in paragraph (e) of this section, falls on a Saturday, Sunday, or a federal holiday within the District of Columbia, the maintenance fee and any necessary surcharge may be paid under paragraph (d) or paragraph (e) respectively on the next succeeding day which is not a Saturday, Sunday, or Federal holiday.

(g) Unless the maintenance fee and any applicable surcharge is paid within the time periods set forth in paragraphs (d), (e) or (f) of this section, the patent will expire as of the end of the grace period set forth in paragraph (e) of this section. A patent which expires for the failure to pay the maintenance fee will expire at the end of the same date (anniversary date) the patent was granted in the 4th, 8th, or 12th year after grant.

(h) The periods specified in §§1.362(d) and (e) with respect to a reissue application, including a continuing reissue application thereof, are counted from the date of grant of the original non-reissue application on which the reissued patent is based. (Emphasis supplied.)

* * *

The regulations at 37 C.F.R. §1.378 provide in pertinent part:

§ 1.378 Acceptance of delayed payment of maintenance fee in expired patent to reinstate patent.

(a) The Commissioner may accept the payment of any maintenance fee due on a patent after expiration of the patent if, upon petition, the delay in payment of the maintenance fee is shown to the satisfaction of the Commissioner to have been unavoidable (paragraph (b) of this section) or unintentional (paragraph (c) of this section) and if the surcharge required by § 1.20(l) is paid as a condition of accepting payment of the maintenance fee. If the Commissioner accepts payment of the maintenance fee upon petition, the patent shall be considered as not having

expired, but will be subject to the conditions set forth in 35 U.S.C. 41(c)(2).

(b) Any petition to accept an unavoidably delayed payment of a maintenance fee filed under paragraph (a) of this section must include:

- (1) The required maintenance fee set forth in § 1.20 (e) through (g);
- (2) The surcharge set forth in § 1.20(I)(1); and
- (3) A showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

* * *

(d) Any petition under this section must be signed by an attorney or agent registered to practice before the Patent and Trademark Office, or by the patentee, the assignee, or other party in interest. (e) Reconsideration of a decision refusing to accept a maintenance fee upon petition filed pursuant to paragraph (a) of this section may be obtained by filing a petition for reconsideration within two months of, or such other time as set in, the decision refusing to accept the delayed payment of the maintenance fee. Any such petition for reconsideration must be accompanied by the petition fee set forth in § 1.17(h). After decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Commissioner. If the delayed payment of the maintenance fee is not accepted, the maintenance fee and the surcharge set forth in § 1.20(I) will be refunded following the decision on the petition for reconsideration, or after the expiration of the time for filing such a petition for reconsideration, if none is filed. Any petition fee under this section will not be refunded unless the refusal to accept and record the maintenance fee is determined to result from an error by the Patent and Trademark Office.

The commentary at MPEP §2506 states in pertinent part:

2506 Times for Submitting Maintenance Fee Payments [R-2]

Maintenance fees cannot be paid in advance since 35 U.S.C. §41(f) permits maintenance fees to be adjusted every year on October 1 to reflect any fluctuations during the previous 12 months in the Consumer Price Index as determined by the Secretary of Labor.

37 C.F.R. §1.362(d) sets forth the time periods when the maintenance fees for a

utility patent can be paid without surcharge. Those periods, referred to generally as the "window period," are the 6-month periods preceding each due date. The "due dates" are defined in 35 U.S.C. §41(b). The window periods are (1) 3 years to 3 ½ years after the date of issue for the first maintenance fee payment, (2) 7 years to 7 ½ years after the date of issue for the second maintenance fee payment, and (3) 11 years to ½ years after the date of issue for the third and final maintenance fee payment. A maintenance fee paid on the last day of a window period can be paid without surcharge. The last day of a window period is the same day of the month the patent was granted 3 years and 6 months, 7 years and 6 months, or 11 years and 6 months after grant of the patent.

37 C.F.R. §1.362(e) sets forth the time periods when the maintenance fees for a utility patent can be paid with surcharge. Those periods, referred to generally as the "grace period," are the 6-month periods immediately following each due date. The grace periods are (1) 3 ½ years and through the day of the 4th anniversary of the grant of the patent, (2) 7 ½ years and through the day of the 8th anniversary of the grant of the patent and, (3) 11 ½ years and through the day of the 12th anniversary of the grant of the patent. A maintenance fee may be paid with the surcharge on the same date (anniversary date) the patent was granted in the 4th, 8th, or 12th year after grant to prevent the patent from expiring.

The commentary at MPEP §2590 states in pertinent part:

2590 Acceptance of Delayed Payment of Maintenance Fee in Expired Patent to Reinstate Patent [R-2] - 2500 Maintenance Fees

* * *

UNAVOIDABLE DELAY

* * *

The required showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

Furthermore, an adequate showing requires a statement by all persons with direct knowledge of the cause of the delay, setting forth the facts as they know them.

Copies of all documentary evidence referred to in a statement should be furnished as exhibits to the statement.

* * *

Thus, evidence that despite reasonable care on behalf of the patentee and/or the patentee's agents, and reasonable steps to ensure timely payment, the maintenance fee was unavoidably not paid, could be submitted in support of an argument that the delay in payment was unavoidable. For example, an error in a docketing

system could possibly result in a finding that a delay in payment was unavoidable if it were shown that reasonable care was exercised in designing and operating the system and that the patentee took reasonable steps to ensure that the patent was entered into the system to ensure timely payment of the maintenance fees.

(Emphasis supplied.)

* * *

No documents and/or statements have been made of record as to the party responsible—Petitioner states that it was the patent holder—for payment of the maintenance fee.

Payment Windows

- within the first window—for payment of the maintenance fee alone—opened on 15 December, 2001, and closed after midnight Monday, 15 June, 2002, as of this writing Petitioner's showing is insufficient;
- within the second window—for payment of the maintenance fee and small surcharge—opened on Tuesday, 16 June, 2002, and closed after midnight Monday, 16 December, 2002, as of this writing Petitioner's showing is insufficient;
- at the opening within the third window—for payment of the maintenance fee and the surcharge in connection with an allegation of unintentional delay—opened on Tuesday, 17 December, 2002, and closed after midnight 15 December, 2004, as of this writing Petitioner's showing is insufficient;
- at the opening of the fourth window—for payment of the maintenance fee and the surcharge in connection with an allegation of unavoidable delay—also opened on Tuesday, 17 December, 2002, in order to satisfy the burden of proof herein, Petitioner would have had to make an adequate showing in one or more of the three periods above, and, as of this writing Petitioner's showing is insufficient.

Direct Evidence

Petitioner must “provide any *direct evidence* proving exactly”¹ what records and systems were in place to satisfy the showing required under 37 C.F.R. §1.378(b). As the court found in Krahn:

¹ See: Krahn v. Commissioner, 15 USPQ2d 1823 (E.D. Va. 1990).

Direct Evidence

Petitioner must "provide any *direct evidence* proving exactly"¹ what records and systems were in place to satisfy the showing required under 37 C.F.R. §1.378(b). As the court found in Krahn:

The Commissioner did not abuse his discretion in ruling that this evidence was insufficient to prove an unavoidable delay ***. The *** procedure[s] set out in the PTO regulations were specifically designed to provide patent applicants with a clear procedure to protect themselves from exactly the situation which has arisen in this case. Plaintiff failed to follow these procedures. The Commissioner properly ruled that the alternative means employed by the plaintiff were inadequate ***. Plaintiff still failed to provide any direct evidence proving exactly [his allegations]. The procedures set out in the PTO's regulations are designed to provide the type of direct evidence needed ***. Had plaintiff's counsel followed these procedures, as a 'prudent and careful man' would have done in conducting 'his most important business,' then he would have been able to produce sufficient evidence to support a showing of unavoidable delay."
(Emphasis supplied.)²

Duty of Candor

Petitioners always are reminded of the burden of those registered to practice *and* all others who make representations before the Office, *inter alia*, to inquire into the underlying facts of representations made to the Office.³

¹ See: Krahn v. Commissioner, 15 USPQ2d 1823 (E.D. Va. 1990).

² Krahn, at 1825.

³ See supplement of 17 June, 1999. The Patent and Trademark Office is relying on petitioner's duty of candor and good faith and accepting a statement made by Petitioner. See Changes to Patent Practice and Procedure, 62 Fed. Reg. at 53160 and 53178, 1203 Off. Gaz. Pat. Office at 88 and 103 (responses to comments 64 and 109)(applicant obligated under 37 C.F.R. §10.18 to inquire into the underlying facts and circumstances when providing statements to the Patent and Trademark Office).

The regulations at 37 C.F.R. §10.18 provide:

§ 10.18 Signature and certificate for correspondence filed in the Patent and Trademark Office.

- (a) For all documents filed in the Office in patent, trademark, and other non-patent matters, except for correspondence that is required to be signed by the applicant or party, each piece of correspondence filed by a practitioner in the Patent and Trademark Office must bear a signature by such practitioner complying with the provisions of §1.4(d), §1.4(e), or § 2.193(c)(1) of this chapter.
(b) By presenting to the Office (whether by signing, filing, submitting, or later advocating) any paper, the party presenting such paper, whether a practitioner or non-practitioner, is certifying that—

(1) All statements made therein of the party's own knowledge are true, all statements made therein on information and belief are believed to be true, and all statements made therein are made with the knowledge that whoever, in any matter within the jurisdiction of the Patent and Trademark Office, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any

III. CONCLUSION

Petitioner's factual showing (narrative (with statements/declarations by persons with first-hand knowledge of events and transactions) and documentary) is, as of this writing, insufficient.

Accordingly, as of this writing, Petitioner has failed to make the showing necessary under the regulation, and the petition under 37 C.F.R. §1.378(b) hereby is dismissed.

In any future filing, this showing should include, but is not limited to, docket records, tickler reports, and file jacket entries for this application, and documents regarding the alleged cause of the delay and copies of any documents referred to in Petitioner's statement as to the cause of the unavoidable delay are required. All the causes which contributed to the failure to timely pay the maintenance fee must be presented and supported with appropriate evidence.⁴ (In general, a Petitioner should identify the party(ies) responsible for making the payment: A showing must be made (with supporting documents) outlining the efforts made to ensure timely payment of the maintenance fee--including scheduling and calendaring information, appointment of an individual with the authority and responsibility to pay the fee, and detailing of the causes for a failure in that process.)

false, fictitious or fraudulent statement or entry, shall be subject to the penalties set forth under 18 U.S.C. 1001, and that violations of this paragraph may jeopardize the validity of the application or document, or the validity or enforceability of any patent, trademark registration, or certificate resulting therefrom; and

(2) To the best of the party's knowledge, information and belief, formed after an inquiry reasonable under the circumstances, that —

(i) The paper is not being presented for any improper purpose, such as to harass someone or to cause unnecessary delay or needless increase in the cost of prosecution before the Office;

(ii) The claims and other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law;

(iii) The allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and

(iv) The denials of factual contentions are warranted on the evidence, or if specifically so identified, are reasonably based on a lack of information or belief.

(c) Violations of paragraph (b)(1) of this section by a practitioner or non-practitioner may jeopardize the validity of the application or document, or the validity or enforceability of any patent, trademark registration, or certificate resulting therefrom. Violations of any of paragraphs (b)(2)(i) through (iv) of this section are, after notice and reasonable opportunity to respond, subject to such sanctions as deemed appropriate by the Commissioner, or the Commissioner's designee, which may include, but are not limited to, any combination of —

(1) Holding certain facts to have been established;

(2) Returning papers;

(3) Precluding a party from filing a paper, or presenting or contesting an issue;

(4) Imposing a monetary sanction;

(5) Requiring a terminal disclaimer for the period of the delay; or

(6) Terminating the proceedings in the Patent and Trademark Office.

(d) Any practitioner violating the provisions of this section may also be subject to disciplinary action. See § 10.23(c)(15).

[Added 50 FR 5175, Feb. 6, 1985, effective Mar. 8, 1985; para. (a) revised, 58 FR 54494, Oct. 22, 1993, effective Nov. 22, 1993; paras. (a) & (b) revised, paras. (c) & (d) added, 62 FR 53131, Oct. 10, 1997, effective Dec. 1, 1997; para. (a) revised, 69 FR 56481, Sept. 21, 2004, effective Oct. 21, 2004]

⁴ The showing must also enumerate the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly. The showing can be verified by using the attached petition form which includes a declaration according to 37 C.F.R. §1.68. Statements from all persons who contributed to the delay are also required.

Further correspondence with respect to this matter should be addressed as follows:⁵

By mail: Commissioner for Patents⁶
 P.O. Box 1450
 Alexandria, VA 22313-1450

By FAX: IFW Formal Filings
 (571) 273-8300
 ATTN.: Office of Petitions

By hand: Mail Stop: Petition
 Customer Service Window
 Randolph Building
 401 Dulany Street
 Alexandria, VA 22314

Telephone inquiries regarding this decision should be directed to the undersigned at (571) 272-3214.



John J. Gillon, Jr.
Senior Attorney
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cc:
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1446 ROSE VILLA STREET
PASADENA, CA 91106

Encl: Statement under 37 C.F.R. §3.73(b)

⁵ On July 15, 2005, the Central Facsimile (FAX) Number changed from (703) 872-9306 to (571) 273-8300. Faxes sent to the old number were routed to the new number only until September 15, 2005. After September 15, 2005, the old number is no longer be in service and (571) 273-8300 will be the only facsimile number recognized for centralized delivery. (For further information, see: <http://www.uspto.gov/web/offices/pac/dapp/opla/preognitice/cfax062005.pdf>.)

⁶ To determine the appropriate addresses for other subject-specific correspondence, refer to the USPTO Web site at www.uspto.gov.